Supreme Court, U.S.
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88-1667
No. —

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

ARTHUR O. KLEIN,

Petitioner,

v.

DONALD W. PETERSON, DEPUTY COMMISSIONER OF PATENTS & TRADEMARKS, DONALD J. QUIGG, COMMISSIONER OF PATENTS & TRADEMARKS AND THE UNITED STATES DEPARTMENT OF COMMERCE, PATENT & TRADEMARK OFFICE,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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QUESTIONS PRESENTED FOR REVIEW

I. Whether The Court Below Erred, In Affirming The Holding Of The United States District Court For The District Of Columbia And The Decisions Of The Deputy Commissioner Of The United States Patent And Trademark Office, Wherein It Was Held That The Disciplinary Proceeding To Which Arthur Klein Was Subjected Was Not *Per Se* Violative Of Arthur Klein's Due Process Rights, And The Rights Of All Other Practitioners Similarly Situated, When The Agency Proceedings Were Conducted Absent Any Rule Structure Under Which A Fair Hearing Could Be Had?

II. Whether The Court Below Erred In Affirming The Holding Of The United States District Court For The District Of Columbia And The Decisions Of The Deputy Commissioner Of The United States Patent And Trademark Office, Wherein It Was Held That The Disciplinary Proceeding To Which Arthur Klein Was Subjected Was Not Conducted In An Arbitrary And Capricious Manner, Such That Arthur Klein's Due Process Rights Were Violated, When The Record Shows That A Lack Of Rules Governing The Disciplinary Proceeding Allowed The Prosecutorial Authority And The Administrative Law Judge To Withhold Discovery, Withhold Evidence And Conduct The Proceedings In An Arbitrary Manner, While At The Same Time Forcing Arthur Klein To Prove His Innocence By Clear And Convincing Evidence?

III. Whether The Court Below Erred In Affirming The Improper Application Of The Substantial Evidence Test By The Deputy Commissioner Of The United States Patent And Trademark Office And The United States District Court For The District Of Columbia In Light Of The Clear And Convincing Evidence, Burden Of Proof And, Additionally, Whether The Court Below Erred In Misapplying Said Test, As The Statistical Evidence Offered By The Solicitor Of The United States Patent And Trademark Office Below Did Not, Of Itself, Satisfy The Test?

PARTIES TO THE PROCEEDING

The parties to the proceeding in the Agency, and in the Court whose judgement is sought to be reviewed herein are as follows:

(i) Petitioner - Arthur O. Klein

(ii) Respondents - (a) Donald W. Peterson, Deputy Commissioner of Patents & Trademarks, (b) Donald J. Quigg, Commissioner of Patents & Trademarks and (c) The United States Department of Commerce, Patent & Trademark Office.

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OPINIONS BELOW

The opinion of the United States Court of Appeals for the Federal Circuit, is reported at 866 F. 2d 412 (1989) and is reproduced in the Appendix hereto. The decision of the United States District Court for the District of Columbia, also an appellate opinion, is reported as 696 F. Supp. 695 (1988) and is also reproduced in the Appendix. The decisions of the Deputy Commissioner of the United States Patent and Trademark Office dated August 28, 1987 and October 19, 1987 are contained in the record below.[1]

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[1] Pursuant to this Court's Rules, petitioner has filed a request with the United States Court of Appeals for the Federal Circuit that its record be forwarded to this Court, at this time, for consideration along with this Petition for Writ of Certiorari. The Decisions are contained in that record, at A. 2777, 2871.

JURISDICTION

The Judgment of the Circuit Court below was entered on January 19, 1989. A timely Petition for Rehearing was filed by your petitioner, Arthur Klein, and by the respondents. Both Petitions for Rehearing were denied on February 15, 1989. This Petition for Writ of Certiorari was filed within the ninety (90) days mandated by statute. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1254 (1).

CONSTITUTIONAL, STATUTORY AND REGULATORY PROVISIONS INVOLVED IN THIS CASE

The Fifth Amendment to the United States Constitution, in pertinent part, provides:

> No persons shall . . . be deprived of life, liberty, or property without due process of law. . .

The statutory provisions involved in this case are: (i) 5 U.S.C. § 1001-1011; (ii) 28 U.S.C. § 1295 (a)(1); (iii) 35 U.S.C. § 32. The regulations involved in this case are 37 C.F.R. § 1.8; 37 C.F.R. § 1.56; 37 C.F.R. § 1.344; 37 C.F.R. § 1.348.

STATEMENT OF THE CASE

This matter is an attorney disciplinary proceeding, conducted before the United States Patent and Trademark Office (hereinafter "PTO") which commenced with a filing of a Notice of Proceeding on August 20, 1984. (A. 1000).[2] The Notice of Proceeding contained four (4) Counts, al-

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[2] References to "A" refer to pages in the appendix filed before the United States Court of Appeals for the Federal Circuit. "RX" refers to respondents exhibits while "GX" stands for government exhibits and "RRX" stands for respondent's rebuttal exhibits. These exhibits were also made a part of the Appendix before the United States Court of Appeals for the Federal Circuit.

leging misconduct by Arthur Klein. Counts III and IV of the Notice charged that Arthur Klein "willfully" gave false answers to "Requirements for Information" which had been submitted to him by the PTO, seeking information regarding mailing of certain documents. The other two (2) Counts charged him with neglecting client matters by willfully engaging in conduct and/or failing to comply with the PTO's candor and good faith requirements and further charged him with willfully engaging in conduct involving dishonesty, fraud, deceit or misrepresentation in that he submitted or was responsible for submitting eleven (11) Certificates of Mailing attached to documents in patent matters, and that said Certificates of Mailing reflected a date other than the actual date on which they were mailed. Arthur Klein filed an answer, and the matter proceeded through discovery to a hearing. Testimony was taken on eight days in June and July of 1985 and additional evidence was offered by deposition and affidavit. The record was closed, but following the closing of the record, the Solicitor moved to re-open and as a result a hearing was again held on March 26, 1986 to permit the PTO to introduce, over Arthur Klein's objections, additional evidence.

During the conduct of the proceedings, early on, Arthur Klein raised questions concerning the lack of rules governing the proceedings. This became most acute when disputes arose during the discovery stage as between the parties.[3] A review of the many filings in the record below include Motions to Compel and Motions for Sanctions, which demonstrate the difficulty engendered during the

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[3] This proceeding was governed by disciplinary rules which are no longer in existence. The disciplinary scheme under which Arthur Klein was prosecuted was set up pursuant to 37 C.F.R. § 1.348. The rule scheme did not provide for general discovery. Further, it provided that 5 U.S.C. §§ 1001-1011 would govern PTO disbarment proceedings. However, at the time action was instituted against Arthur Klein, those sections no longer existed.

period of discovery.[4] There was also a dispute with regard to the standard of proof and ultimately the standard of proof settled upon was "clear and convincing evidence" although this was nowhere set forth in the Rules. As shown by the record below, parties for both sides argued criminal precedent and civil precedent depending upon the issue raised during the discovery phase.

During the discovery proceedings before the agency, Arthur Klein filed a Motion to Dismiss based on constitutional grounds. This Motion addressed the lack of procedural rules, lack of statutory basis, and other difficulties caused by the PTO's lack of regulatory provisions governing disciplinary actions. The Motion was ultimately denied by the Administrative Law Judge (hereinafter "ALJ") without opinion.(A. 1149; 1231).

Following the hearings, briefs were submitted to the ALJ. Supplemental Briefs were filed and on May 2, 1986 a Recommended Decision was issued (A. 2313). Exceptions were noted by Arthur Klein and by the PTO (A. 2352; 2366).

In July of 1986, Deputy Commissioner Donald W. Peterson established a schedule whereby submissions by both the PTO and Arthur Klein could be made regarding the ALJ's Recommended Decision. The Solicitor submitted a Brief as did Arthur Klein. Arthur Klein's Brief was stricken as it was held not to be a "point by point" submission as required by the Deputy Commissioner (A. 2610). Also rejected with the Brief was a submission made by Arthur Klein containing many additional Certificates of Mailing and Certificates of Service which he had discovered in his files and which were filed in the PTO during the so called "relevant period" and which were not counted by the PTO in its statistical case. (*See*, Motion for Recon-

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[4] *See, e.g.*, record entries listed on Appendix pages 2929-2932 below.

sideration) (A. 2613). Arthur Klein then filed a point by point "submission" (A. 2629).

On August 28, 1987 a Decision was issued (A. 2777). On August 31, 1987 the Solicitor of the PTO filed a Motion asking the decision be withdrawn (A. 2797). The Motion for Withdrawal was granted before counsel for Arthur Klein had been served with a copy of said Motion.

Arthur Klein petitioned the United States District Court for review of the August 28, 1987 Decision and filed a Motion to Seal and a Motion for a Temporary Restraining Order to preclude publication of the PTO decision until the Appeal Process was completed.

Subsequently, an Amended Decision dated October 19, 1987 was issued by the Deputy Commissioner. A Petition for Review was filed from that decision with the United States District Court. Subsequently, the two petitions were consolidated. A Motion for Preliminary Injunction was filed by Arthur Klein, was heard by the District Court on October 28, 1987, and was denied. A Stay was initially granted by the Federal Circuit precluding publication of the PTO Decision, based on a forthcoming appeal. An appeal was taken from that decision and on March 2, 1988 the United States Court of Appeals for the Federal Circuit upheld the finding by the United States District Court Judge.

Briefs were filed before the United States District Court on the merits.[5] Ultimately, the United States District Court Judge affirmed the findings made by the Deputy Commissioner.[6]

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[5] Pursuant to Local Rule 213 of the United States District Court for the District of Columbia, the matter was heard "on the record". No hearing was held by the United States District Court Judge nor was evidence taken.

[6] 696 F. Supp. 695 (1988).

An appeal from this decision was taken to the United States Court of Appeals for the Federal Circuit. The United States Court of Appeals for the Federal Circuit ultimately affirmed the decision of the United States District Court.[7]

In order to understand the Constitutional arguments, this Court must have some understanding of the facts and circumstances involved in this disciplinary proceeding. Arthur Klein refers the Court to the statement of facts which is contained in the Brief filed before the United States Court of Appeals for the Federal Circuit, from pages 5 through 18. Arthur Klein also refers the Court to the statement of facts contained in his Brief filed with the United States District Court found at pages 90 through 129 of the Appendix filed with the United States Court of Appeals for the Federal Circuit. The facts discussed therein will give a better understanding to this Court of all of the facts and circumstances involved in this proceeding, with regard to the two types of charges filed.

Briefly, however, Arthur Klein was charged with submitting documents, with attached Certificates of Mailing, that were back dated. Certificates of Mailing, in Patent and Trademark practice, are documents utilized to demonstrate the date upon which a document is mailed. Certificates of Mailing may be separate documents which need not be signed at the same time the documents attached to them are signed, and according to regulation, Certificates of Mailing need not be signed by the same person who signs the document. The person signing the Certificate of Mailing attests that he or she has a reasonable basis to believe that the correspondence attached to the Certificate was mailed on or before the date indicated on the Certificate of Mailing. *See*, 37 C.F.R. § 1.8. Arthur Klein was charged with submitting eleven (11) documents, with attached Certificates of Mailing, to the Patent and

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[7] 866 F. 2d 412 (1989).

Trademark Office, which were back dated. The Certificates of Mailing themselves were signed by Arthur Klein (nine (9) certificates) and by a secretary in his office (two (2) certificates). Two of the charges in the four Count Notice of Proceedings brought against Arthur Klein dealt with these eleven (11) allegedly late Certificates of Mailing.

The other two charges brought against Arthur Klein dealt with intentionally presenting false information in response to Requirements for Information sent to Arthur Klein by the Patent and Trademark Office during its investigation. Testimony by Mr. Thomas Gallagher, an associate Patent & Trademark Attorney in Arthur Klein's firm, and an affidavit submitted by Mr. Gallagher at the beginning of the proceedings before the agency, indicated that Thomas Gallagher was tasked by Arthur Klein to review office procedures, and draft responses to the Requirements for Information. Mr. Gallagher did so, and Arthur Klein reviewed the answers and signed them after discussing the answers with Mr. Gallagher. Mr. Gallagher indicated in this testimony that he believed the responses given to the Requirements for Information were correct. Nevertheless, some of the information contained in those answers to the Requirements was incorrect, and lead to the two charges being brought against Arthur Klein, alleging that he intentionally submitted this incorrect information.[8]

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[8] With regard to the Certificates of Mailing charges, it was established by testimony that the PTO set a "relevant period" within which cases were examined, from the Klein and Vibber firm, to determine whether any were "apparently suspicious". The relevant period was defined to extend from June 2, 1981 to May 31, 1983. (A. 3159). Files were examined utilizing a computer printout which *reportedly* contained a listing of every Patent file in which Arthur Klein held a power of attorney. Two computer printouts were actually utilized, but the first was apparently destroyed and was not entered into evidence. The second was Government Exhibit two. A paralegal of the PTO who examined the Klein and Vibber files testified under oath that she

REASONS FOR GRANTING THE WRIT

I. The Court Below Erred, In Affirming The United States District Court And The Decisions Of The Deputy Commissioner Of The United States Patent And Trademark Office, As The Agency Proceedings Held Below, To Which Arthur Klein Was Subjected, Were *Per Se* Violative Of Arthur Klein's Due Process Rights, And The Rights Of All Other Practitioners Similarly Situated, As These Proceedings Were Conducted Without Any Governing Rule Structure Upon Which A Fair Hearing, Sufficient To Satisfy Due Process Requirements, Could Be Had.

Arthur Klein argued below, and submits here, that the agency proceedings to which he was subjected, due to a complete lack of rules governing said proceedings, were violative of procedural due process. As such, the decisions below should be reversed.

This Court has held that procedural due process is required in attorney discipline cases. *In re Ruffalo*, 390 U.S. 544 (1968). In fact, in a patent disciplinary case, this Court has noted that disbarment or suspension constitutes "deprivation of a valuable right" and therefore cries out for the application of due process protection. *Kingsland v. Dorsey*, 338 U.S. 318 (1949). This Court has indicated that attorney disciplinary proceedings must be conducted in a manner that affords the accused attorney the opportunity

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determined that a total of fifty six (56) Certificates of Mailing were submitted from the firm of Klein and Vibber during the relevant period of which twenty five (25) accompanied papers which were signed by Arthur Klein. Trademark Certificates submitted by Arthur Klein and his firm were not considered as they were found by the Administrative Law Judge to be "deminimus". (A. 2330). This is true even though Mr. Thomas Gallagher testified that twenty five percent of the Klein and Vibber practice was in Trademarks not in Patents. Thus many more certificates should have been counted. *See*, Respondent's Motion for Sanctions (A. 2465).

to show cause why disbarment is an inappropriate remedy. *Theard v. United States*, 354 U.S. 278 (1957).

It is clear that disciplinary proceedings are adjudicative rather that administrative. They involve investigations of allegations of misconduct. Just as clearly, if charges are preferred, service of requisite notice is required along with the opportunity to be heard. *See, Charlton v. F.T.C.*, 543 F. 2d 903 (D.C. Cir. 1976). *See, also, Mezines, Stein & Gruff, Administrative Law*, Volume 5, § 42.05, citing *Erdmann v. Stevens*, 458 F. 2d 1205, *cert. denied*, 409 U.S. 889 (1972); *Roudebush v. Hartke*, 405 U.S. 15 (1972).

This argument was presented to the ALJ, during the agency proceedings, via a Motion to Dismiss, and he ruled against Arthur Klein's position without opinion. It was also raised before the United States District Court, and the United States District Court Judge found that the disciplinary proceeding to which Arthur Klein was subjected was not *per se* violative of due process, as he found that administrative agencies were free to fashion their own rules of procedure and to pursue methods of inquiry which were capable of permitting them to discharge their duties. He found that in the case at bar, the agency had followed this procedure, and that therefore there was no *per se* violation of due process. *See, F.T.C. v. Pottsville Broadcasting Company*, 209 U.S. 134, 143 (1939). This holding was adopted by the United States Court of Appeals for the Federal Circuit.

Arthur Klein submits that he did not question before the agency, the District Court, or the Court of Appeals, whether or not an agency was allowed to fashion its own rules. Certainly an agency may do so. The error and argument which Arthur Klein raised below, and reiterates here, is that there was *no* rule structure established by the PTO, which provided guidance to the ALJ, the prosecutorial authority, or to Arthur Klein in defending, and therefore his due process rights, as well as all other

attorneys subject to these rules, during the time when Arthur Klein was subjected to the proceeding, were violated.

At the time Arthur Klein was subjected to the disciplinary proceeding before the PTO, 37 C.F.R. § 1.348 and 37 C.F.R. § 1.344 provided the basic rule structure applicable to disciplinary cases. 37 C.F.R. § 1.344 indicated that an attorney appearing before the PTO was required to conform to standards set forth in the American Bar Association Code dated February 24, 1970. That rule remained unchanged up to and through the preferring of charges against Arthur Klein in 1984 even though there had been other enactments of various ABA Codes in the interim. Further, 37 C.F.R. § 1.348 provided that the proceedings were to be governed by the Administrative Procedures Act as contained in 5 U.S.C. §§ 1001-1011. However, at the time that Arthur Klein's charges were preferred, those sections no longer existed. Therefore there was *no* administrative procedural rule structure, made applicable by statute, or by Patent Office rule, to which Arthur Klein's proceedings were subject.[9]

Not only was there no rule system applicable, enunciated in the Code of Federal Regulations or elsewhere, to govern the proceedings to which Arthur Klein was subjected but there was further no standard of proof enunciated within rules or statutes. Although ultimately a standard of clear and convincing evidence was settled upon, by the parties and the ALJ, in Arthur Klein's proceeding, it is clear that in other disciplinary cases a lesser standard was applied. *See, e.g., Jaskiewicz v.Mossinghoff*, 822 F. 2d 1053 (Fed. Cir. 1987). The rules described above indicate, by their

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[9] Even if the Rules as contained in the Administrative Procedures Act referred to did exist, the PTO rule scheme provided that they were not universally applicable but only indicated that they "may" be applicable. Obviously, this would not provide any guidance to a practitioner.

very nature, that they are susceptible to arbitrary and discriminatory interpretation which is in violation of constitutional standards, particularly in quasi-criminal proceedings such as attorney disciplinary matters. The only guidance provided was a citation to an ABA code even though that code had, in the eyes of the ABA, been superceded. Further, citations to an Administrative Procedure Act which "may" apply, and which was no longer in existence at the time charges were preferred against Arthur Klein, gave no guidance. The rule scheme to be applied was not only vague, it was nonexistent.

The vague, nonexistent rule scheme lead the ALJ during the course of the hearing to refer to himself as the "magisterial functionary assigned to make rulings in harmony with the APA and due process", even though no such guidance actually existed in the rules or the statutes. (A. 2338). It is clear that the ALJ and the Deputy Commissioner found that there were no due process violations, as to Arthur Klein or other practitioners similarly situated, because they believed themselves authorized to fairly resolve *any* question in the absence of *any* regulatory guidance. Arthur Klein believes that this fits precisely the definition of arbitrariness and capriciousness, and illustrates why the "void for vagueness doctrine" was announced, as such a rule system is blatantly violative of due process and therefore unconstitutional.

The "void for vagueness doctrine" requires that the terms of the statute be clear enough to prevent arbitrary and discriminatory conduct by a prosecutor, a court or a jury. *See, e.g., U.S. v. Lambert*, 446 F. Supp. 890 (D.C. Conn. 1978), *affirmed sub nom, U.S. v. Girard*, 601 F. 2d 69 (2d Cir.), *cert. denied*, 444 U.S. 871 (1979). The complete lack of rule structure which governed the proceedings below denied due process to Arthur Klein, *per se*, and likewise denied due process to any other patent practitioner similarly situated. The lack of rule guidance rendered the proceedings fundamentally unfair, and left them

completely subject to the arbitrary determination of the ALJ and/or the Deputy Commissioner of the PTO. As such the disciplinary system was *per se* violative of due process, to Arthur Klein, and to all other patent practitioners.[10]

II. The Court Below Erred, In Affirming The United States District Court And The Decisions Of The Deputy Commissioner Of The United States Patent And Trademark Office, As The Agency Proceedings Conducted In The Disciplinary Case To Which Arthur Klein Was Subjected Were Conducted In An Arbitrary And Capricious Manner, Such That Arthur Klein's Due Process Rights Were Violated, As The Lack Of Rules To Be Applied Allowed The Prosecutorial Authority And The ALJ To Make Rulings And/Or Conduct Proceedings Which Withheld Discovery, Withheld Evidence, And At The Same Time Forced Arthur Klein To Prove His Innocence By Clear And Convincing Evidence.

Arthur Klein has maintained both at the administrative level and before the reviewing Courts, that the disciplinary proceeding conducted before the PTO was conducted in an arbitrary and capricious manner, such that his due process rights were violated. The arbitrary and capricious con-

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[10] Apparently the United States Patent and Trademark Office felt, as Arthur Klein has urged here, that its rule structure, in effect at the time Arthur Klein's disciplinary proceeding began, was procedurally deficient, as it has since enacted a completely new set of rules and regulations governing Patent and Trademark practitioners. *See*, 35 U.S.C. Appendix-Rules of Practice in Patent Cases, 37 C.F.R. § 1.341 *et. seq.*, 37 C.F.R. part 10. This extensive rule scheme is in stark contrast to the system under which Arthur Klein's conduct was measured and assessed. The new system contains numerous rules and regulations addressing conduct, discovery and all manner of the disciplinary proceedings. Unfortunately this new rule system came too late to help Arthur Klein. In fact, the PTO continues to propose rule changes, some as a result of this case. *See, e.g.*, 37 Pat. Trademark & Copyright J. (BNA) 414 (February 23, 1989); 37 Pat. Trademark & Copyright J. (BNA) 517-519 (March 23, 1989).

duct of the proceedings impacted directly on Arthur Klein's ability to prepare his case and his ability to refute evidence. The rulings compelled him to produce evidence which was then used against him, and in effect compelled him to satisfy the fact finder that he was *not* guilty by clear and convincing evidence rather than placing the burden on the PTO to demonstrate that he was guilty of misconduct by clear and convincing evidence.

The United States District Court Judge found in his opinion that Arthur Klein was denied access to documents relating to his investigative file and to complete files of previously adjudicated disciplinary proceedings. However, he found that the denial of said discovery did not violate Arthur Klein's due process rights. This is true because the United States District Court Judge found that Arthur Klein ultimately gained access to documents through use of the Freedom of Information Act law suits (hereinafter "FOIA") which he was ultimately forced to bring, and the Judge also held that the denial of the "Hoffman transcript" was not prejudicial to Arthur Klein as Arthur Klein could have subpoenaed Mr. Hoffman to testify at the hearing as an alternative to viewing the transcript.[11] Arthur Klein sub-

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[11] The "Hoffman transcript" was a transcript of a telephone conversation which was apparently had as between a member of the Solicitor's office of the United States Patent and Trademark Office and a Mr. Bernard Hoffman. Mr. Hoffman was a Patent Practitioner in Arthur Klein's firm during the "relevant period" and was interviewed by the Solicitor's office in the course of its investigation of the charges which were ultimately brought against Arthur Klein. Arthur Klein sought to have the transcript produced in discovery but the government refused to produce same. Arthur Klein, through counsel, notified the Administrative Law Judge and the Solicitor that Mr. Hoffman would not speak to him with regard to the charges. Nevertheless, the only offer to produce the document was made near the close of the hearing by the Solicitor, who offered to produce the transcript to Arthur Klein *if Arthur Klein would admit that it was not exculpatory*. Mr. Klein refused to accept any conditions on the release of the document to him and the Administrative Law Judge refused to order that the document be produced.

mits that the basis for the District Court Judge's holdings, which were affirmed by the Court of Appeals were incorrect, given the record, and the applicable legal precedent.

Initially, Arthur Klein admits that it is established (although often criticized) law, that parties to agency proceedings, generally, do not have any blanket right to prehearing discovery. *See, e.g., Silverman v. Commodity Futures Trading Commission*, 549 F. 2d 28 (7th Cir. 1977). However, it is equally well settled that discovery *must* be granted to any party involved in an administrative adjudication when refusal to permit discovery would so prejudice the party as to amount to a denial of due process. *See, Mezines, Stein & Gruff, Administrative Law*, volume 4, § 23.01 [1]. Under District of Columbia precedent, for example, there has been an apparent trend towards liberalized discovery in agency proceedings. *See, Smith v. Schlesinger*, 513 F. 2d 462 (D.C. Cir. 1975). *See, also, McClelland v. Andrus*, 606 F. 2d 1278 (D.C. Cir. 1979). Arthur Klein submits that he was denied discovery within the context of the administrative proceeding conducted against him, and that such denial was so prejudicial as to amount to a denial of due process.

Arthur Klein was able, through FOIA law suits, to obtain certain "discovery" as against the PTO, even though that same "discovery" was not allowed within the context of his administrative proceeding. However, these actions were costly, adjunct proceedings, which caused Arthur Klein and/or his counsel to conduct litigation on more than one front, in the face of serious charges which were brought against Arthur Klein by the PTO. In a Freedom of Information Act suit styled *Carter v. Department of Commerce*, 830 F. 2d 388 (D.C. Cir. 1987) access to many documents sought was gained, but many of these were not actually made available by the PTO until 1988, well after the decisions were rendered by the ALJ and the Deputy Commissioner. Further, not all of the documents sought by Arthur Klein in the FOIA suit were ever revealed in

that action. Obviously, Freedom of Information Act suits are not substitutes for discovery and different rules apply. What may be "discoverable" under Court or agency Rules is not necessarily "discoverable" under the FOIA. Arthur Klein sought release of pertinent documents through the use of the Freedom of Information Act when all other avenues within the context of his agency proceeding failed. This does not excuse the actions of the ALJ in denying to Arthur Klein access to documents and information within the context of the PTO proceeding. In effect, the United States District Court Judge in his holding condoned the withholding of information within the context of an administrative proceeding, which was prejudicial to Arthur Klein's conduct of his case, merely because Arthur Klein was able to, in part, circumvent this prejudicial denial, through the use of other proceedings. However, such an excuse should not be allowed.

Obviously, the Freedom of Information Act did not give access to all of the information sought by Arthur Klein in discovery. For example, he was not able to obtain information regarding the "Hoffman transcript" and other Hoffman materials developed by the PTO during its investigation. These materials were denied within the context of the FOIA as being investigatory, and were denied outright to Arthur Klein in the discovery proceedings in which he was involved before the ALJ. Even though it was represented to the ALJ that Mr. Hoffman would not discuss the matter with Arthur Klein's counsel, the ALJ still held that Arthur Klein could have subpoenaed Mr. Hoffman to testify. Clearly this is not a viable alternative to one seeking information which the other side in an adversary proceeding already has access to. Arthur Klein should not be required to subpoena a witness, when he does not have any idea what that witness will say. This places, in effect, the burden on Arthur Klein to risk either helping his case or making the case for the PTO, should he choose to call a witness who will not discuss the matter

with him prior to being issued a subpoena. This "stab in the dark" solution provides no true alternative to discovery. It was certainly not one that should have been imposed upon Arthur Klein in the context of a quasi criminal proceeding. The lack of rules allowed arbitrary decision making by the ALJ and provided no basis upon which Arthur Klein could object.[12]

Rulings made by the ALJ allowed the Solicitor of the PTO to conduct a "fishing expedition" within the documents and files of Mr. Klein's law firm, which were all ordered to be produced to the Solicitor within the context of discovery. At the same time, Arthur Klein was denied access to the Solicitor's information which might have proven helpful within the files of the PTO. *See*, Order of the Administrative Law Judge, dated January 31, 1985. (A. 1231).

Further, the arbitrary and capricious nature of this action impacted on Arthur Klein with regard to his ability to prepare his case and, in effect, shifted the burden of proof to Arthur Klein to prove his innocence rather than the opposite.

The ALJ indicated that the standard of "clear and convincing evidence" was to be applied in the agency proceeding. Obviously, there was a presumption of innocence which attached to this quasi-criminal proceeding as well. Nevertheless, the ALJ gave the benefit of virtually every

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[12] Mr. Hoffman's testimony was potentially crucial, as in addition to being a former employee of the law firm of Klein and Vibber, he was, during the time he was an employee, in charge of the Firm's outgoing mail log. He would therefore have knowledge with regard to the procedures utilized concerning the mail log, and would also, potentially, have knowledge with regard to Arthur Klein's familiarity with the mail log. Obviously, the reviewing Courts considered Arthur Klein's alleged familiarity with the mail log to be a crucial fact, as this familiarity was cited in Court opinion to support findings of guilt with regard to Counts III and IV, dealing with responses to Requirements for Information.

doubt to the PTO and construed procedural and substantive questions according to a standard that only favored the prosecution at all times.[13] The burden of proof bias is evidenced by the language and style of the Recommended Decision, which was issued by the ALJ and adopted, in large part, by the Deputy Commissioner, which begins and ends by addressing alleged weaknesses in Arthur Klein's defense, without ever directly addressing the prosecution's evidence in support of its case in chief, count by count, and without ever establishing that the evidence produced by the prosecution was sufficient to meet the clear and convincing evidence standard.[14]

Arthur Klein argued to the Court below that it appears from a reading of the Recommended Decision, as adopted by the Deputy Commissioner, that the ALJ lumped the charges together, particularly those charges dealing with Certificates of Mailing directly, and transferred his conclusions and suspicions from one charge to another in a cumulative fashion which resulted in a finding of guilt as to all Certificate of Mailing allegations.

It should be remembered that this case dealt primarily with two general areas. One area involved eleven (11) Certificates of Mailing which the PTO alleged were back dated and the other area dealt with two Requirements for Information which were sent by the PTO, during its inves-

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[13] For example, *See, Respondent's Exceptions to the Recommended Decision*, Nos. 8, 11, 14, 15, 24, 63-65, 111, 143 (A. 2366-2430.)

[14] Even the United States District Court Judge in his decision does not say that the evidence was "substantial" but instead finds that there was "ample evidence in the record *suggesting*. . ." to support the case of the Patent and Trademark Office. While the United States Court of Appeals for the Federal Circuit found that substantial evidence did exist to support the counts generally, even that Court did not go into a specific charge by charge analysis with regard to the Certificates of Mailing and whether or not the government had met its burden with regard to each Certificate and how each Certificate came to be mailed to the United States Patent and Trademark Office.

tigation, to Arthur Klein, seeking information regarding Certificate of Mailing practices within the Klein and Vibber law firm. As to the first area, a reading of the Recommended Decision indicates clearly that the ALJ lumped evidence together in order to reach a finding as regards all eleven (11) Certificates. In other words, he did not find that as to any one Certificate the evidence, by the clear and convincing evidence standard, was sufficient but instead appeared to generally lump together all evidence, and all eleven (11) charges, in order to reach a finding that Arthur Klein was responsible for all eleven (11) "allegedly late" mailings. With regard to the Requirements for Information, even though an associate of Arthur Klein's testified, in unrebutted testimony, that he was the one who responded to the Requirements for Information and believed his answers to be correct, and even though there was no direct evidence that Arthur Klein had any knowledge that these answers to the Requirements for Information as drafted by his associate were incorrect, nevertheless, the Administrative Law Judge, the District Court Judge and even the United States Court of Appeals for the Federal Circuit found that Arthur Klein intended to deceive the PTO through the responses, even though he did not draft them. This is true even though Mr. Gallagher's testimony was unrebutted, and even though there was *no* affirmative evidence offered to show that Arthur Klein had any intention to mislead through the answers to the Requirements for Information.[15]

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[15] This is particularly evident as the misleading information which was allegedly given to the Patent and Trademark Office intentionally, was information which the Patent and Trademark Office could check, and find to be incorrect, merely through a review of its own records. This was during a time when Arthur Klein knew he was under an investigatory microscope by the Patent and Trademark Office and it therefore appears absurd that Arthur Klein would attempt to mislead the Patent and Trademark Office about information contained in PTO records, which could be easily checked by the PTO in response to an

With regard to the Certificates of Mailing, it is obvious from a review of the record that the Patent Office identified fifty six (56) Certificates of Mailing from the Klein and Vibber Law Firm during a self-defined "relevant period" and then made a determination as to how many Certificates accompanied documents signed by Arthur Klein. It made no difference to the PTO, apparently, who actually signed the Certificates which are in fact the date attestation portion, but instead they were more concerned with who signed the document to which each Certificate was attached.[16] Having defined a relevant period, and universe of documents, the PTO then determined that anything which took more than eight (8) days to reach the Patent Office was "suspicious". They then determined that eleven (11) Certificates of Mailing, accompanied by documents signed by Arthur Klein were "suspicious". The Patent Office then developed statistics from another law firm within the New York City area, and compared Arthur Klein's individual statistics, not his firm's statistics, for mailing times, with this other law *firm's* mailing times. Comparisons were not made of individual practitioner to individual practitioner but instead were made of Arthur Klein as an individual, to other patent law firms. The

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official Requirement for Information. Obviously, the more logical answer is that Arthur Klein, as he maintained throughout this proceeding, was unaware of the procedures about which the Patent Office made inquiry, and having had his associate prepare responses, believed that the responses were correct. *No* intent to mislead was shown.

[16] In fact, all fact finders and reviewing Courts have ignored the testimony of Klein and Vibber employees, which was unrefuted and uncontested, as regards mailing practices. For example, Ms. Brigitte Metzler, who signed two of the allegedly late Certificates of Mailing, testified with regard to those Certificates and testified that her normal practice was to deposit Certificates and the accompanying documents in the mail on the day on which she signed the Certificate. In each case, she signed the Certificate of Mailing, and it accompanied the document. There was no evidence to demonstrate that she had lied, or had deposited the specific Certificates in the mail after the date which would have been her "normal practice".

Patent Office then used the Postal Service average mailing time for mailings from New York City to Washington, D.C., to demonstrate how late the mailings were by Arthur Klein. With regard to the Requirements for Information charges, the Patent and Trademark Office demonstrated that the information given by Arthur Klein in answer to the requirements, was incorrect. Based on this evidence, Arthur Klein moved for dismissal of the government's case and this was denied.

Arthur Klein was then required, in order to demonstrate his innocence, to prove his case by clear and convincing evidence. He was forced to independently corroborate every aspect of his defense and was apparently found guilty because he could not *"affirmatively prove"* that every Certificate was mailed on the date indicated on that Certificate. Arthur Klein offered extensive testimony by employees, former employees, and independent witnesses to substantiate his case, but in all cases, even though much of the testimony offered was unrebutted, the ALJ chose to disbelieve it, and instead adopted the inferences and arguments made by the prosecutorial functionary.

The position taken by the ALJ, the Deputy Commissioner, and reviewing Courts has been that even though there was uncontradicted testimony of witnesses for Arthur Klein that they should not be believed and that Arthur Klein should have been convicted because he was the head of a small firm and had an absolute duty to be aware of everything that happened there. Therefore, he knew or should have known everything that happened within the confines of his firm and should have been responsible for it.

For example, the ALJ and the Deputy Commissioner were apparently influenced by the evidence that Arthur Klein had made an innocent mistake in affirming the answers drafted by Mr. Gallagher to the Requirements for Information but Arthur Klein was nonetheless found guilty

by a conclusion that as a matter of law the mistake was inexcusable because he had an absolute duty of candor to the PTO. By making such findings, the ALJ and the Deputy Commissioner wrongfully converted the allegations of fraud or misconduct, for which under common law precedent some requisite intent needed to be shown, to findings based on theories of negligence or strict liability. Such a theory was not charged but findings were somehow made based on such a theory. The United States Court of Appeals for the Federal Circuit in its review, found that Arthur Klein should be guilty because he was lead attorney in a small firm and reviewed all work that was filed with the PTO. The Court of Appeals held that Arthur Klein personally made notations in the outgoing mail log and occasionally made spot checks of entries.[17] Such a general finding ignored the actual evidence of record, and ignored the evidence which was presented by Arthur Klein to demonstrate his innocence.

Further, the arbitrary nature of the proceedings, resulted in the reopening of proceedings to accept additional evidence from the Solicitor, six (6) months after the taking of evidence had originally been closed. This additional evidence, involving checks which were produced which had apparently always been in the possession of the PTO and/or in their records, but were only produced six (6) months

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[17] Arthur Klein pointed out in a Petition for Rehearing filed below that there was no evidence of record to demonstrate that he *ever* made notations in the outgoing mail log. There was no evidence to support such a finding. However, his Petition was not granted by the Court of Appeals. Nevertheless, its finding and holding is incorrect. There is no evidence of record to support a finding that Arthur Klein ever personally made notations in his office outgoing mail log. It is clear from the evidence of record that Arthur Klein further was not responsible for the outgoing mail log but that it was started by one of his employees, and was maintained by other associates within his office structure. Mr. Hoffman was such an employee. The outgoing mail log was not Arthur Klein's idea, nor did he have any direct involvement with it, with regard to making entries.

after the case was closed, supplied additional evidence which was relied upon heavily by the ALJ, the Deputy Commissioner and by reviewing Courts to show that Arthur Klein must have submitted documents late to the PTO, as some of the checks which accompanied the documents were "out of sequence". The ALJ allowed the hearing to be reopened for the presentation of this evidence based on the representation by the Solicitor that he could not have discovered the evidence earlier while the proceeding was ongoing. Obviously, the Solicitor could have discovered this "out of sequence checks" evidence earlier as the proffered checks came from basically the same source as other evidence used by him during the course of the proceeding. *See, G.X. 48.* Testimony was taken, early in the proceedings from one of Arthur Klein's employees, that out of sequence checks occurred from time to time in the firm's practice. Nevertheless, even though no showing of due diligence or justification was made, the evidence was not rejected. This was contrary to precedent. *See, Lockland v. Switzer Brothers, Inc.*, 299 F. 2d 160 (9th Cir. 1961).

Conversely, when Arthur Klein sought to submit additional evidence, while the matter was being considered by the Deputy Commissioner, in the form of many additional Certificates of Mailing and Certificates of Service by mail which he discovered in his files, this submission was not accepted. Arthur Klein argued that these were crucial and could not have been discovered sooner and directly impacted on the statistical case brought against him by the Solicitor. Nevertheless, they were not accepted. During the course of appellate review, these "additional" Certificates have been discussed by the respondents, and they have ultimately, in the course of this discussion, admitted that their original universe of fifty six (56) Certificates during the "relevant period" which was used to put together the statistical case against Arthur Klein was not correct. In fact, they have admitted that the fifty six (56) Certificates

identified may very well not have been all of the Certificates which existed, and given such a small number of Certificates as fifty six (56), any additional Certificates added to this statistical universe would have made a decisive impact on their statistical findings.[18] It would have

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[18] In fact, the existence of additional Certificates was originally raised in the disciplinary proceeding as early as June and July of 1986. Even though the original files upon which Arthur Klein's prosecution was conducted were always in the possession of the PTO, the Solicitor always took the position that the additional Certificates located by Arthur Klein were of no value, and further took the position that if Arthur Klein felt that the Certificates were important that he should have come forward sooner, and produced the Certificates from his own files. Of course Arthur Klein's files were merely copies of the original files, which were maintained in the PTO, and the PTO based its prosecution upon its own files. Nevertheless, the Solicitor did not, apparently, reexamine the Patent Office files to determine whether or not Arthur Klein indeed had discovered many more additional Certificates, which might be relevant, even after they were brought to the Patent and Trademark Offices's attention. Instead the Solicitor merely opposed the submission by Arthur Klein as being too late in the context of the proceeding, even though no rule governed with regard to the submission of said new evidence.

In an effort to ensure that PTO files were properly examined by the Solicitor's office, and to ensure that he had discovered all additional Certificates within said PTO files, Arthur Klein, by counsel, filed a FOIA request and law suit, styled Carter v. Department of Commerce, C.A. 87-0293 (D.D. C. filed February 6, 1987), seeking all Certificates contained in Arthur Klein's PTO files. The PTO generated a new computer print out, for patent files and, for the first time, for trademark files. These computer print-outs differed markedly from GX-2. Obviously since the computer print out which preceded GX-2, utilized by the Solicitor in the investigation of Arthur Klein, had been destroyed, the new print-outs could not be compared to that computer print out. Nevertheless, no new Certificates were produced by the PTO, as it took the position that Arthur Klein could examine his own files, based on the new print out, and they had no duty to produce additional Certificates. In that proceeding two (2) affidavits by Arthur Klein were submitted as exhibits to the Complaint, which put the Solicitor on notice of approximately 73 additional Certificates within Arthur Klein's files, within the "relevant period."

also made an impact with regard to other law firms and the evidence presented. Nevertheless this evidence was not accepted by the Deputy Commissioner. The respondents have argued below that Arthur Klein should have formally moved to reopen the proceedings. However, no PTO rule required or called for such a motion. Arthur Klein sought to introduce the evidence before the Deputy Commissioner and this was not allowed. Given the complete lack of rules, there was no specific provision made with regard to re-opening proceedings. Clearly the Deputy Commissioner could have considered the newly found Certificates or could have ordered a reopening, *sua sponte*, but chose not to do so. Once again, even with a complete lack of rules, the burden was placed on Arthur Klein to somehow overcome the lack of rules and make the system work. This is a violation of due process.[19]

Arthur Klein submits, as he did below, that the discussion of the evidence and findings as contained in the Recommended Decision, as adopted by the Deputy Commissioner in his Decisions, as affirmed by the District Court and the United States Court of Appeals for the Federal Circuit, is clearly erroneous, and is based on a shift of the burden of proof to Arthur Klein to prove his innocence. As such, the decisions should have been set aside by the reviewing court but were not. In not setting aside the decisions, the Court of Appeals erred. *See, In re Thorup*, 432 A. 2d 1221 (D.C. 1981).

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[19] It should be noted that Arthur Klein was found guilty based upon a "knew or should have known or was in a position to know" theory but that theory apparently carried no weight with regard to conduct of the Solicitor. For example, should not the Solicitor have known that there were more that fifty six (56) certificates within the universe he established? Apparently, a "duty of disclosure" and candor, was not applied as to the conduct of the investigatory arm in this case, while it was found to be the basis for Arthur Klein's conviction. Arthur Klein submits that the duty of candor should have applied, both ways. *See*, 37 C.F.R. 1.56; *Ex Parte Kesten*, 4 U.S.P.Q. 2d 1609 (1987). The lack of rules apparently allowed the lack of application of this duty.

Arthur Klein submits that the proceedings generally were conducted against him in a manner which were violative of due process, as they were arbitrary and capricious, and were conducted outside the guidelines established by precedent. Reversal is warranted.

III. The Court Below Erred In Affirming The Improper Application Of The Substantial Evidence Test By Reviewing Courts Below And In Misapplying The Same Test As The Evidence Offered By The Solicitor Of The United States Patent And Trademark Office Did Not In And Of Itself Satisfy The Substantial Evidence Test, In Light Of The Clear And Convincing Evidentiary Standard To Be Applied.

Both the United States District Court Judge and the Court of Appeals for the Federal Circuit, in their reviewing roles, portended to apply the substantial evidence test to the proceedings conducted in the United States Patent and Trademark Office. Arthur Klein submits that the clear and convincing evidence standard was misapplied in the agency, and that the substantial evidence review standard was not properly considered by reviewing tribunals.

The issue of the substantial evidence review test, and its interrelationship with the clear and convincing evidence standard, has presented an area of difficulty for reviewing courts. In fact, the relationship between the two standards/ evidentiary burdens, is unclear enough that the Honorable Judge Nies of the United States Court of Appeals for the Federal Circuit in *SSIH Equipment S.A. v. United States International Trade Commission*, 718 F. 2d 365, 380-381 (Fed. Cir. 1983) chose to discuss the "recurring confusion" between standards of proof at trial and standards of review on appeal, in this context. Judge Nies admitted in her discussion that the difference between a preponderance of the evidence standard and proof beyond a reasonable doubt is much more easily understood than either of those two standards in relation to what she characterized as an

"intermediate" standard of clear and convincing evidence. She indicated that even with this confusion, adopting a "standard of proof" is more than an "empty semantic exercise". *Id.* at p. 381. Having admitted the difficulties with the various standards Judge Nies went on to adopt a view stated in *Whitney v. S. E. C.*, 604 F. 2d 676, 681 (D.C. Cir. 1976) in which that Court held that findings made by a trial tribunal on a clear and convincing evidence standard should only be reviewed to ascertain whether or not the evidence was such that a reasonable person might find it clear and convincing. It should be noted, however, that the holding of the *Whitney* case was enunciated based on that Court's view that it doubted that it would ever be appropriate to set aside findings of fact supported by "substantial evidence", whatever the standard of proof.

Although Judge Nies, speaking for the United States Court of Appeals for the Federal Circuit, attempted to clarify the application of the substantial evidence test, in light of the clear and convincing evidence standard, Arthur Klein believes that her attempt at clarification has fallen short. This is particularly true when the substantial evidence test is applied to his own case, which of course was to be decided under the clear and convincing evidence standard. A review of the briefs filed before the United States District Court, and before the United States Court of Appeals for the Federal Circuit, particularly with regard to the statements of facts contained therein, by all parties, will demonstrate the lack of substantial evidence, as contrasted to a clear and convincing evidence standard. It is apparent that a higher standard, which should have been applied given the nature of the clear and convincing evidence burden, was not applied by the reviewing courts even though it should have been. So sparse was the available evidence in certain circumstances, that apparently the Court of Appeals chose to cite to evidence in support of its decision, *which actually did not exist of record.* For example, the Court indicated that Arthur Klein made en-

tries in his own firm's mail log, as substantiation, in large measure, for the affirmance of the findings of the Deputy Commissioner with regard to Counts III and IV below dealing with the finding of intentionally false responses to Requirements for Information. However, as pointed out by Arthur Klein in his Petition for Rehearing before the United States Court of Appeals for the Federal Circuit, there was simply *no* evidence of record to indicate that Arthur Klein made any entries in the outgoing mail log during the relevant period or for any relevant documents or in fact that he made any entries.[20] Arthur Klein submits that the substantial evidence test was not properly applied by the reviewing courts, in light of the clear and convincing evidence standard, and therefore, the decisions rendered as against Arthur Klein should be reversed.

PRAYER FOR RELIEF

For the reasons given hereinabove, Petitioner prays that a Writ of Certiorari be granted to review the decision and judgment of the United States Court of Appeals for the Federal Circuit in this proceeding.

Respectfully submitted,

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[20] The Court is referred to pages 13-14 of Arthur Klein's Petition for Rehearing, filed before the Court of Appeals for the Federal Circuit, which is a part of the record.

APPENDIX

Appendix

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Nos. 88-1578, 88-1579,

Arthur O. Klein, Plaintiff-Appellant v. Donald W. Peterson, Deputy Commissioner, Patents and Trademarks, Donald J. Quigg, Commissioner of Patents & Trademarks and The United States Department of Commerce, Patent & Trademark Office-Defendants-

William J. Carter, Carr, Goodson, Lee & Foret, P.C., Washington, D.C., argued for plaintiff-appellant.

Harris A. Pitlick, Associate Solicitor, U.S. Patent & Trademark Office, Arlington, VA., argued for defendants-appellees. With him on the brief was Nathan Dodell, Asst. U.S. Atty., of counsel.

Before MARKEY, Chief Judge, NIES and MAYER, Circuit Judges.

NIES, Circuit Judge.

Arthur O. Klein appeals from the order of the United States District Court for the District of Columbia, *Klein v. Peterson*, 696 F. Supp. 695, 8 USPQ2d 1434 (D.D.C. 1988), affirming the Amended Decision of the Deputy Patent Commissioner, *In re Klein*, 6USPQ2d 1547 (Dec. Comm'r Pat. 1987), which suspended Klein from practice before the United States Patent & Trademark Office (PTO) for two years and placed him on probation for another five years. Sanctions were imposed following a disciplinary proceeding instituted in the PTO pursuant to 35 U.S.C. § 32 (1982) and 37 C.F.R. § 1.348 (1984). That proceeding began when Klein was charged with four counts of mis-

conduct during his practice before the PTO, including violation of 37 C.F.R. § 1.56 (1984) by submitting eleven Certificates of Mailing to "backdate" documents filed with the PTO; 37 C.F.R. §1.344 (1984) by filing documents late, thus neglecting legal matters entrusted to him; and 37 C.F.R. §§ 1.344 & 1.56 and certain provisions of the American Bar Association Code of Professional Responsibility by falsely answering the PTO's "Requirements for Information" during the investigation stage of the proceeding. We affirm.[1]

I

The matter was initially referred to an Administrative Law Judge (ALJ) in the Department of Commerce. After an extensive period of discovery and a hearing, which was later reopened to consider additional evidence, the ALJ issued a Recommended Decision holding that each of the four charges was proven by clear and convincing evidence and recommending that Klein be disciplined. *In re Klein*, 6 USPQ2d 1528 (Dep't Comm.1986). The Deputy Commissioner reviewed the ALJ's holding and adopted the ALJ's recommendation with some modification.[2] *In re Klein*, 6 USPQ2d 1547 (Dec.Comm'r Pat. 1987). Pursuant to 35 U.S.C. § 32, Klein then filed a petition for review of the Deputy Commissioner's decision in the district court.

In his petition, Klein asserted three challenges to the validity of the PTO's proceedings. He attacked the disciplinary proceedings as a *per se* violation of due process, claiming that the statutes and regulations under which such proceeding were conducted were void for vagueness. He also urged that the proceedings, as conducted, violated

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[1] This court has jurisdiction over this appeal under 28 U.S.C. § 1295(a)(1) (1982). *See Jaskiewicz v. Mossinghoff*, 822 F.2d 1053, 1057 n. 10.

[2] *Compare In re Klein*, 6 USPQ2d 1547 (Dec. Comm'r Pat.1987), *with In re Klein*, 6 USPQ2d 1528 (Dep't Comm.1986).

due process. Finally, Klein asserted that the PTO Solicitor failed to carry the burden of proving the charges by clear and convincing evidence. The district court considered and rejected each challenge in a thorough opinion.

II

Klein urges reversible error in the district court's rulings on his procedural challenges to the propriety of the PTO's proceedings. We agree with the district court, however, that "[t]he disciplinary proceedings, as instituted against Klein, were neither *per se* nor in their application violative of [Klein's] constitutional right to due process." *Klein*, 696 F.Supp. at 698, 8 USPQ2d at 1436. Accordingly, we affirm the district court's order denying Klein's due process challenges on the basis of the court's opinion, those sections of which we adopt. *Id.* 696 F.Supp. at 697-98, 8 USPQ2d at 1435-36.

III

We also reject Klein's substantive challenge to the merits of the rulings made by the PTO and the district court. The PTO bore the burden of proving its charges against Klein before the ALJ by clear and convincing evidence. *See Jaskiewicz v. Mossinghoff*, 822 F.2d 1053, 1058, 3 USPQ2d 1294, 1299 (Fed.Cir.1987). The district court recognized that its function was not that of a trier of fact, but to review "whether there was substantial evidence to support the action of the Patent Office." *Klein*, 696 F.Supp. at 698, 8 USPQ2d at 1436. To affirm under the substantial evidence standard, a court must conclude that the record as a whole contains "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion". *Universal Camera Corp. v. NLRB*, 340 U.S. 474, 477, 71 S.Ct. 456, 459, 95 L.Ed. 456 (1951); *see also SSIH Equip. S.A. v. United States Int'l Trade Comm'n*, 718 F.2d 365, 381-82, 218 USPQ 678, 692 (Fed.Cir. 1983)

(Nies, J., additional views). Thus, the precise question raised before the district court and which this court must now answer is whether a reasonable mind could have found the evidence of misconduct clear and convincing.[3]

The principal charge, from which the other charges depend, is that Klein acted deliberately to mislead the PTO by representing that responses were mailed on certain dates when they were in fact mailed to the PTO after the dates specified. We hold that this charge is supported by substantial evidence.

In particular, the PTO's evidence showed that Klein experienced abnormally long delivery times for his filings with the PTO. Although the average mailing time from New York and Connecticut, where the responses were mailed, to the PTO was found to be five days,[4] the eleven certificates in question (of which Klein personally signed eight) arrived at the PTO, at best, eight days after they were certified as mailed and, at worst, over fifty days later. Klein attributes the delays to the United States Postal Service and attacks the statistical validity of the PTO's evidence, but the fact remains that no one in Klein's firm, other than himself, experienced *any* mailing delays. Nor did other patent law firms in the same area.

Klein's firm recorded dates of PTO correspondence in a mail log. For all entries but the eleven papers in question, the "second date" ~~entry is the~~ date the firm received its return-receipt postcard from the PTO. In contrast, none of the relevant eleven entries showed such a date. Some

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[3] For a more extended discussion of the interrelationship between the "substantial evidence" standard of review and the "clear and convincing" burden of proof, *see SSIH Equipment S.A. v. United States International Trade Commission*, 718 F.2d 365, 380-81, 218 USPQ 678, 691 (Fed.Cir.1983) (Nies, J., additional views).

[4] The government urges that the district court should have found that the average mailing time was two or three days. This dispute is immaterial to our disposition.

entries corresponded to the PTO receipt date, some entries were simply absent, and some of the relevant log pages are missing from the log copies provided (the originals were apparently unavailable because lost in a move). Where there are entries for some of the subject papers, they are always the last entry on the log's page. Klein attributes these discrepancies to sloppy office practice and a misunderstanding of firm procedure by the employees who made the log entries. The inconsistency of the entries with all other firm mailings, however, is additional circumstantial evidence supporting the finding that the eleven certificates were not correctly dated.

Six of the eleven certificates required that fees accompany the papers when filed. In one of the six cases, the fee was charged to Klein's PTO deposit account and a check was not written. In four of the remaining cases, the dates of the checks accompanying the papers were out of chronological order when compared with the dates of the checks which bracket them. The final check was from a separate checkbook; it was apparently in sequence. Although the firm's checks generally reflect that their numerical order corresponded with chronological order, Klein pointed out that fifteen other checks, out of the approximately 400 written to the PTO during the time period examined, were out of sequential order with respect to check numbers and dates. Of those fifteen, however, nine are dated later rather than backdated in relation to the bracketing checks.

Klein's client correspondence further supports the PTO's charge. His routine practice was to inform clients when papers had been filed with the PTO by letter on the same day as the filing, or within at most two days thereafter. In eight of the eleven cases at issue, however, the letters were dated more than two days after the dates on the certificates of mailing. In all four cases for which out-of-sequence checks were written, the client letters were written late (four, six, ten, and eleven days after the certificate

dates). Moreover, in all four cases the dates on the client letters corresponded with dates that would have placed the related checks in sequence. Klein does not address the client letter evidence.

Klein's contention on appeal is that the PTO did not prove its case by clear and convincing evidence and that, in order to find that it had, "the ALJ and the Deputy Commissioner chose to disbelieve all of Arthur Kleins' evidence even though there was no basis stated for why they chose to disbelieve it." We disagree. First, it is not necessary to disbelieve all of Klein's evidence to find that he intended to mislead the PTO. Intent is found upon consideration of *all* the facts and circumstances involving the conduct in question. *Jaskiewicz*, 822 F.2d at 1059, 3 USPQ2d at 1299; *see also Kansas Jack, Inc. v. Kuhn*, 719 F.2d 1144, 1151, 219 USPQ 857, 861 (Fed.Cir.1983). Second, the record reveals that both the ALJ and Deputy Commissioner carefully considered Klein's evidence and stated specific reasons, such as internal inconsistency, when they discounted certain evidence.

Upon consideration of all the facts and circumstances involving Klein's conduct, we agree with the district court that there is substantial evidence to sustain the administrative finding that Klein deliberately intended to mislead the PTO by misrepresenting that certain papers were mailed on the dates stated in the certificates of mailing. Such intent need not be proven by direct evidence; rather circumstantial evidence may permit an inference of intent. The circumstantial evidence is sufficient in this case to show that Klein intended to deceive the PTO when he filed the certificates of mailing at issue.

The second count charges Klein with neglecting legal matters entrusted to him. It is undisputed that some of the certificates of mailing were dated so as to prevent corresponding applications from becoming abandoned. Consequently, if Klein did not mail the certificates on the dates

specified, the responses were mailed to the PTO after they were due and Klein neglected to prosecute the applications in a timely manner. Count II depends, therefore, on a factual determination common to the first count: whether Klein mailed the certificates on the dates he indicated they were mailed. Klein declines to make a separate argument addressing the second count. Instead, he merely states, "The acts charged in Count II are in effect the same as in Count I." Accordingly, based on the above discussion of Count I, we agree with the district court that substantial evidence supports the administrative finding that Count II was proven.

Counts three and four charge Klein with providing false answers to the PTO's "Requirements for Information" (RFI) relating to two, separate applications (each RFI was the subject of a count). Specifically, Klein stated that the dates entered in his office mail log were the dates the PTO received papers, when, in fact, they were not. As previously noted, the firm's practice was to enter the date the firm received its return-receipt postcard from the PTO as the second date entered in the mail logs. He also stated that each of four entries in the mail log were sent to the PTO accompanied by a certificate of mailing when only one of the items was so accompanied.

The ALJ characterized Klein's answers as follows:

> The misrepresentations contained in [Klein's] answers to the Requirements for Information indicate either an incredible and intolerable ignorance of his own office's practices or a calculated attempt at deception. I conclude that it was the latter. In either event, [Klein] knew or should have known the answers were false. The patent system depends more heavily than is usual in other practices upon the integrity of its practitioners, for the usual adversary is most often not present. The PTO was entitled to receive and rely upon counsel's answers, but his answers were false.

In re Klein, 6 USPQ2d at 1546-47 (footnote omitted). After adopting and incorporating by reference the ALJ's view, the PTO further stated that "[t]he attempted coverup which led to the false responses to the subsequent legitimate inquiries by the Patent and Trademark Office reveal [sic, reveals] an intolerable attitude and continuing pattern of misconduct." *In re Klein*, 6 USPQ2d at 1556. We agree.

Klein points our that another person in his office actually authored the RFI's for his signature and that unrebutted testimony indicated the author provided answers which he believed, incorrectly, were true. Such testimony establishes, Klein contends, that there was no intent to deceive the PTO through the responses. Klein's contention misses the point, however, because the belief of the author is of no benefit to Klein.

In view of the facts Klein knew, it is simply inconceivable, as the PTO concluded, that *he* thought his answers were true. Klein was lead attorney in a small firm having no more than four attorneys and agents during the relevant period. He reviewed all work before it was filed with the PTO. He personally made notations in the mail log and occasionally made spot checks of entries. Moreover, the second date entries stood out because they were written in different-colored (red) ink. Accordingly, we uphold the finding that Klein engaged in a calculated attempt at deception by providing false answers to the PTO's questions.

Klein insists that he had "no motivation to 'lie'" in his responses to the RFIs, because the PTO had in its possession the records involved and could easily check his answers. We do not find that argument persuasive. Moreover, it does not negate the presence of substantial evidence supporting the charges. Accordingly, we conclude that we must sustain the PTO's and district court's conclusion that Klein intended to "cover up" the truth sought by the PTO's investigation.

IV

The PTO relies, and should be able to rely, upon attorneys to prosecute patents and answer its questions in an honest and forthright manner. Substantial evidence supports the finding that Klein failed to deal with the PTO in such a manner. Accordingly, we affirm the district court in all respects.

AFFIRMED.

THE UNITED STATES DISTRICT COURT,
DISTRICT OF COLUMBIA.
Civ. A. Nos. 87-2661, 87-2950.

Arthur O. Klein, Plaintiff, v. Donald W. Peterson, Defendant.

William J. Carter, Carr, Goodson, Lee & Foret, Washington, D.C., for plaintiff.

Nathan Dodell, Asst. U.S. Atty., Washington, D.C. (Harris A. Pitlick, Associate Sol., Patent & Trademark Office, Office of the Sol., Patent & Trademark Office, Office of the Sol., Arlington, Va., of counsel), for defendant.

MEMORANDUM AND ORDER

HAROLD H. GREENE, District Judge.

This matter is before the Court pursuant to 35 U.S.C. § 32 and Local Rule 213, which provides that a person "suspended or excluded from practice before the Patent Office may file a petition in this court against the Commissioner of Patents for review of such action. . . ."

On August 20, 1984, a disciplinary proceeding, *Nakamura v. Klein*, was instituted in the Patent and Trademark Office (PTO) against plaintiff pursuant to 35 U.S.C. § 32 and 37 CFR 1.348 (1984). Plaintiff was charged with four counts of misconduct arising out of the handling of eleven papers in ten separate patent applications, and in giving false answers in PTO Requirements for Information relating to two of the ten applications, in violation of 37 CFR §§ 1.344 and 1.56, DR 1-102(A)(4), and DR 6-101(A)(3) of the Code of Professional Responsibility of the American Bar Association.

On June 24, 1985, following an extensive period of discovery, an eight day hearing was held before an Admin-

istrative Law Judge (ALJ). Plaintiff was afforded the opportunity to put on a defense and to cross-examine the PTO's witnesses, and the parties were then given leave to file post-hearing submissions. On December 2, 1985 defendant moved to reopen or supplement the record based on newly discovered evidence. After requiring the PTO to disclose the new evidence to plaintiff, the hearing was reopened and the evidence submitted to the record. No testimony was taken at the one day session.

On May 2, 1986, the ALJ entered a Recommended Decision, holding that each of the charges was proven by clear and convincing evidence. The parties then filed exceptions to the Recommended Decision with the Deputy Commissioner, who was to review the ALJ's determination. The Deputy Commissioner on August 28, 1987, essentially adopting the ALJ's recommendations and suspending plaintiff from practice before the PTO for a period of seven years. Execution of the last five years of suspension was suspended, and plaintiff was placed on probation for five years. The imposition of sanctions under the Decision was stayed pending appeal.

Plaintiff challenges the validity of the proceedings below on three grounds: (1) that the disciplinary process to which he was submitted was *per se* violative of due process; (2) that the proceedings were conducted in an arbitrary and capricious manner, and were therefore violative of due process; and (3) that the Solicitor failed to carry the burden of proving the charges by clear and convincing evidence. These arguments will be considered in turn.

It is clear that procedural due process is required in attorney discipline cases. *See In re Ruffalo*, 390 U.S. 544, 88 S.Ct. 1222, 20 L.Ed.2d 117 (1968). Plaintiff contends that the statutes and regulations governing disciplinary proceedings within the PTO are impermissibly vague in that they fail to clearly establish proper procedural safeguards and guidelines, applicable standards of conduct, or

standards of proof, and that they are therefore *per se* violative of due process. But this conclusion is not compelled by precedent, as plaintiff suggests. The Supreme Court has held that administrative agencies should be "free to fashion their own rules of procedure and to pursue methods of inquiry capable of permitting them to discharge their multitudinous duties." *FTC v. Pottsville Broadcasting Co.*, 309 U.S. 134, 143, 60 S.Ct. 437, 441, 84 L.Ed. 656 (1939). Rather, the question whether plaintiff was deprived of his right to due process must be answered by an examination of the proceedings conducted against him.

A review of the administrative record shows that plaintiff was provided adequate notice of the charges, was able to depose those PTO officers involved with the investigation, was given the right to put on a defense and to confront adverse witnesses. Although plaintiff was denied access to some of the documents relating to his investigative file,[1] and to the complete files of previously adjudicated PTO disciplinary proceedings,[2] that denial did

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[1] It is not clear what portions of the investigatory file, if any, were ultimately withheld from plaintiff.

One item over which there was substantial controversy was the "Hoffman transcript", which plaintiff asserts contained potentially exculpatory evidence. Defendant resisted revealing this document until such time as "it became impossible for [plaintiff] to tailor his defense around it." Defendant's Brief at 52. Plaintiff declined to review the document when it was offered, allegedly because defendant would surrender it only if Klein would attest to its non-exculpatory nature on the record. Plaintiff's Reply at 34. The ALJ found that plaintiff could have subpoenaed Hoffman to testify at the hearing as an alternative to viewing the transcript, and thus declined to order defendant to surrender the document. The Court sees no reason to disturb that ruling.

[2] The files which were not made available as part of the disciplinary proceeding were those wherein there was no reported decision of public discipline. Defendant took the position that these files were traditionally kept confidential to protect the name and reputation of the individuals involved, and that decisions from other cases were of limited relevance

not constitute a violation of his due process rights. As plaintiff concedes, parties to agency proceedings are not entitled to pre-hearing discovery. *See Silverman v. CFTC*, 549 F.2d 28, 33 (7th Cir.1977). Discovery must be granted only if in the particular situation refusal to do so would so prejudice a party as to deny him due process. *See e.g., Withrow v. Larkin*, 421 U.S. 35, 46, 95 S.Ct. 1456, 1464, 43 L.Ed.2d 712 (1975). The Court finds that the adverse rulings of the ALJ regarding discovery did not materially harm plaintiff and that no infringement of his due process rights flowed therefrom.

Plaintiff also alleges affront to his due process rights by reason of the ALJ's grant of defendant's Motion to Reopen or Supplement the Record, forcing plaintiff "to combat late evidence produced out of the context of the hearing" which he "was not in the position to fully analyze. . .and to prepare a complete rebuttal." Plaintiff's Brief at 60. However, the new evidence offered by defendant consisted solely of checks, with pages of accompanying documents, from plaintiff's own law firm. Defendant's Brief at 53. Furthermore, plaintiff was given the evidence prior to the hearing and was permitted to defend against it in any manner he desired.[3] The Court finds no error in the decision or the procedure regarding the reopened hearing.

Plaintiff has raised numerous other issues relating to alleged due process violations, all of which the Court has

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to this proceeding due to the highly individualized nature of disciplinary actions. Plaintiff ultimately gained access to many of the documents, in redacted form, through instigation of a Freedom of Information Act suit. *See Carter v. Department of Commerce*, 830 F2d 388 (D.C.Cir.1987).

[3] Plaintiff chose to defend against the new evidence by affidavit. Defendant asserts that because this tactic foreclosed cross-examination on the matter, it actually afforded plaintiff an advantage in the proceedings rather than the detriment alleged.

considered and deemed to be without merit.[4] In particular, the Court finds the various rulings of the ALJ before, during, and after the hearing to be well within his sound discretion and not constituting any deprivation of due process. The disciplinary proceedings, as instituted against Klein, were neither *per se* nor in their application violative of plaintiff's constitutional right due process.

Plaintiff also challenges the Deputy Commissioner's determination on substantive grounds, claiming that the PTO failed to show by clear and convincing evidence his guilt as charged.

The function of the Court in a case of this nature is not that of a trier of fact. Rather, the responsibility of the Court is "to review what has been done to determine whether or not a fair hearing has been had and whether there is substantial evidence to support the action of the Patent Office." *Cupples v. Marzall*, 101 F.Supp. 579, 582 (D.D.C.1952), *aff'd*, 204 F.2d 58 (D.C.Cir.1959); *see also* 5 U.S.C. § 706. The scope of review does not contemplate *de novo* analysis of determinations below involving factual disputes; particularly when reviewing questions necessitating an evaluation of witness credibility, the Court will accord great deference to the finder of fact. Judicial review in these types of patent proceedings is limited to determining whether, on the basis of the evidence, the agency had substantial evidence to rule as it did.

Plaintiff takes exception with the Patent Office's finding of intentional conduct, as required to satisfy the charges, from evidence which shows only gross negligence. The law of this Circuit is clear that fraud or dishonesty may not be inferred from mere negligence. In the proper circum-

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[4] The Court has previously ruled that withdrawal of the August 28 decision and the eventual issuance of the October 19 Amended Decision did not violate plaintiff's right to due process. *See Klein v. Peterson*, 696 F.Supp. 695 (D.D.C. 1988).

stance, however, gross negligence may lead to a finding of inequitable conduct.[5] *Jaskiewicz v. Mossinghoff*, 822 F.2d 1053, 1058 (D.C.Cir.1987). Whether intent should properly be inferred from a party's gross negligence is a matter of fact. No single factor or combination of factors can always be said to *require* an inference of intent to mislead; yet an individual facing clear proof that he knew or should have known of the PTO's requirements can expect to find it difficult to establish the "subjective good faith" to prevent the drawing of an inference to mislead. *See FMC Corp. v. Manitowoc Co.*, 835 F.2d 1411, 1416 (Fed.Cir. 1987). In the context of the evidence before the ALJ, the Court finds that the agency had substantial evidence to find that plaintiff failed to make the showing of subjective good faith necessary to counter the presumption of intentional conduct, and therefore did not err in its determination of plaintiff's culpability.[6]

This conclusion is not altered by the fact that in reaching its decision, the agency relied in part on statistical evidence from the United States Postal Service. In prosecuting this case, the PTO adduced evidence showing that the average mailing time between New York (where plaintiff's office is located) to Washington, D.C. is five

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[5] *In re Kozaburo Harita, et. al.*, 847 F.2d 801 (Fed.Cir.1988) is not to the contrary. There, the court held that intent could not be inferred solely form a party's gross negligence, without a showing that the negligent party knew of the rules and practices he had violated. The court went on to note that an applicant charged with failure to disclose prior art may attempt to convince the factfinder that, in the light of the circumstances of the case, an inference of intent to mislead is not warranted. However, a mere denial of intent, without more, will not suffice to preclude an inference of intent. *Id.* at 809.

[6] The agency acted within its authority in determining that plaintiff was responsible for mailing violations relating to two Certificates which he did not personally sign. If the evidence is sufficient to prove that plaintiff knew that the paper which he signed would be mailed after the date on the certificate of mailing, he may properly be found to have caused the paper to be filed in violation of 37 C.F.R. § 1.8.

days. In addition, defendant presented evidence as to the time it took mailings from the Soffen firm, another patent law firm located a block away from plaintiff's firm, and from various Connecticut locations (from which plaintiff's papers might have been mailed) to reach the PTO. On the basis of this evidence, the Solicitor argued that plaintiff's filings, because they arrived at the PTO headquarters much later that the statistics suggest they would have had they been filed on the date they were purportedly mailed, were in fact mailed at a later date.

While this statistical evidence of backdating and late mailing is clearly circumstantial in nature, it is an appropriate means of proving a case against plaintiff. The mere fact that such evidence was relied upon does not support plaintiff's assertion that "[s]omehow Arthur Klein was convicted based on statistics alone, even though all of the affirmative evidence offered was to the contrary." Plaintiff's Brief at 66. There was ample evidence in the record suggesting that the actual mailing dates of the subject papers were other than those averred in certificates signed, or caused to be signed, by plaintiff. The ALJ properly considered evidence of procedural safeguards (or lack thereof), check backdating, and other related matters in determining whether the Solicitor had proven his case. The fact that plaintiff presented rebuttal evidence does not automatically negate evidence from the Solicitor's case-in-chief; as in any case involving a factual dispute and where credibility is at issue, the ultimate resolution of the matter rests with the trier of fact, who must weigh the conflicting evidence and accord whatever amount of weight appropriate to the various assertions. There is no error to be found simply because the ALJ chose to disbelieve plaintiff's witnesses and to accept defendant's evidence.

On the basis of the record as it comes before this Court, and according the proper deference to findings of fact entered by the ALJ after assessing the credibility of the witnesses, the Court finds that the decision of the Deputy

Commissioner is supported by substantial evidence. The Court further finds that the proceedings below were fairly conducted after due notice of the charges, and in accordance with fundamental principles of fair play and applicable procedural standards established by law. The Court is satisfied, based on the record before it, that the rights of the plaintiff have been adequately protected, and accordingly affirms the findings and conclusions of the Deputy Commissioner.

Therefore, it is this 16th day of August 1988

ORDERED that the Amended Decision of the Deputy Patent Commissioner be and it is hereby affirmed; and it is further

ORDERED that the complaints in the above-referenced actions be and they are hereby dismissed.

STATUTORY APPENDIX

35 U.S.C. §32

The Commissioner may, after notice and opportunity for a hearing, suspend or exclude, either generally or in any particular case, from further practice before the Patent and Trademark Office, any person, agent, or attorney shown to be incompetent or disreputable, or guilty of gross misconduct, or who does not comply with the regulations established under section 31 of this title, or who shall, by word, circular, letter, or advertising, with intent to defraud in any manner, deceive, mislead, or threaten any applicant or prospective applicant, or other person having immediate or prospective business before the Office. The reasons for any such suspension or exclusion shall be duly recorded. The United States District Court for the District of Columbia, under such conditions and upon which proceedings as it by its rules determines, may review the action of the Commissioner upon the petition of the person so refused recognition or so suspended or excluded.

37 C.F.R. §1.8

(a) Except in the cases enumerated below, papers and fees required to be filed in the Patent and Trademark Office within a set period of time will be considered as being timely filed if: (1) they are addressed to the Commissioner of Patents and Trademarks, Washington, D.C. 20231, and deposited with the U.S. Postal Service with sufficient postage as first class mail prior to expiration of the set period, and (2) they also include a certificate for each paper or fee stating the date of the deposit. The person signing the certificate should have reasonable basis to expect that the correspondence would be mailed on or before the date indicated. The actual date of receipt of the paper or fee will be used for all other purposes. This procedure does not apply to the following:

(i) The filing of a national patent application specification and drawing or other papers for the purpose of obtaining an application filing date;

(ii) The filing of trademark applications;

(iii) The filing of agreements between parties to an interference under 35 U.S.C. 135(c);

(iv) The filing of an affidavit showing that a mark is still in use or containing an excuse for nonuse under section 8(a) or (b) or section 12(c) of the Trademark Act, 15 U.S.C. 1058(a), 1058(b), 1062(c);

(v) The filing of an application for renewal of a mark registration under section 9 of the Trademark Act, 15 U.S.C. 1059;

(vi) The filing of a petition to cancel a registration of a mark under section 14(a) or (b) of the Trademark Act, 15 U.S.C. 1064(a), 1064(b);

(vii) The filing of an affidavit under section 15, subsection (3) of the Trademark Act, 15 U.S.C. 1065;

(viii) The filing of a notice of election to proceed by civil action in an inter parties proceeding under 35 U.S.C. 141 or section 21(a)(1), in response to another party's appeal to the Court of Appeals for the Federal Circuit;

(ix) The filing of a notice and reasons of appeal under 35 U.S.C. 142 or a notice of appeal under section 21(a)(2) of the Trademark Act, 15 U.S.C. 107(a)(2);

(x) The filing of a statement under 42 U.S.C. 2182 or 42 U.S.C. 2457(c); and

(xi) The filing of international applications for patent and papers relating thereto.

(b) In the event that correspondence or fees are timely filed in accordance with paragraph (a) of this section, but

not received in the Patent and Trademark Office, and the application is held to be abandoned or the proceeding dismissed, terminated, or decided with prejudice, the correspondence or fee will be considered timely if the party who forwarded such correspondence or fee (1) informs the Office of the previous mailing of the correspondence or fee promptly after becoming aware of the Office action, (2)supplies an additional copy of the previously mailed correspondence or fee and certificate, and (3) includes a declaration under §§1.68 or §2.20 which attests on a personal knowledge basis or to the satisfaction of the Commissioner to the previous timely mailing.

37 C.F.R. §1.344

Attorneys and agents appearing before the Patent and Trademark Office must conform to the standards of ethical and professional conduct set forth in the Code of Professional Responsibility of the American Bar Association as amended February 24, 1970, insofar as such code is not inconsistent with this part. A copy of the said code is available for inspection in the Office of the Solicitor, U. S. Patent and Trademark Office, Room 11C04, Building 3, Crystal Plaza, 2021 Jefferson Davis Highway, Arlington, VA. Copies of the code are available upon request to the American Bar Center, 1135 E. 60th Street, Chicago, IL 60637.

37 C.F.R. §1.348

Except as otherwise provided, proceedings for suspension, disbarment or exclusion from practice are before a Commissioner.

(a) *Investigating and Prosecuting Officer*
The duties of investigation, preparing charges, collecting and presenting testimony, and presenting a case for suspension, exclusion from practice or disbarment shall be performed by the Solicitor of the Patent and Trademark

Office or, at his direction, by a designated law examiner or other person and neither the Solicitor nor such law examiner or other person shall participate in any manner in the decision of the case. If, upon investigation of a complaint or other information concerning an attorney or agent, it shall appear to the Solicitor that grounds for suspension, exclusion from practice, or disbarment exist, he shall prepare and forward the necessary notice and statement.

(b) *Notice of Proceedings*

Proceedings for suspension or disbarment shall be instituted by the Solicitor by mailing to, or otherwise serving on, the respondent a notice of such proceeding with a statement of the charges against him, at the same time forwarding a copy to the Commissioner. It shall be the duty of the respondent to answer the charges as specified in paragraph (c) of this section.

(c) *Answer*

The respondent's answer shall be filed in writing with the Commissioner within one month from the time the notice is served on the respondent, or within such extension of time as may be allowed by the Commissioner for good cause shown. The answer shall be under oath or declaration. Failure to answer within the time allowed will be taken as an admission of the charges. The respondent in his answer should specifically admit or deny every material allegation of fact in the statement of charges; every allegation not denied shall be deemed admitted, unless the respondent states that he has no knowledge thereof sufficient to form a belief, which statement shall be considered a denial. Any special matters of defense shall be stated affirmatively in the answer. False statements in the answer may be made the basis of supplemental charges.

(d) *Hearing*

(1) Unless the Commissioner finds the answer sufficient to dispose of the charges, he will set the case for

hearing before him, notifying the respondent and the Solicitor of the place, day and time of commencement of the hearing. Evidence as to the matters in issue may be submitted at the hearing, the testimony of witnesses being presented orally, under oath and reported.

(2) The hearing may be advanced and continued by the Commissioner, as far as may be deemed convenient and proper.

(3) Depositions for use at the hearing in lieu of personal appearance of witnesses may be taken by either the Solicitor or the respondent on application to and with the written consent of the Commissioner within such times and under such conditions as the Commissioner may prescribe.

(e) *Hearing Officer*

The Commissioner may, in his discretion, delegate the conduct of the hearing to a hearing or trial examiner who shall be the presiding officer and who shall make a recommended decision.

(f) *Administrative Procedure Act*

Proceedings shall be governed, in matters not specifically set forth herein, by the provisions of the Administrative Procedure Act, 60 Stat. 237; 5 U.S.C. 1001-1011, which may be applicable.

37 C.F.R. § 1.56

(a) A duty of candor and good faith toward the Patent and Trademark Office rests on the inventor, on each attorney or agent who prepares or prosecutes the application and on every other individual who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor, with the assignee or with anyone to whom there is an obligation to assign the application. All such individuals have a duty to disclose to the Office information they are aware of

which is material to the examination of the application. Such information is material where there is a substantial likelihood that a reasonable examiner would consider it important in deciding whether to allow the application to issue as a patent. The duty is commensurate with the degree of involvement in the preparation or prosecution of the application.